36

gd. No. M.—1175

The Mysore Gazette

pl. 68.] PUBLISHED BY AUTHORITY. [No. 29.

BANGALORE, THURSDAY, JULY 20, 1933.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

PAGES

Regulation VI of 1933—

A Regulation further to amend the Mysore Co-operative Societies Regulation VII of 1918 .... 1– 12

Regulation VII of 1933—

A Regulation to make better provision for the management of Municipal affairs in Cities in Mysore 1–64

Regulation VIII of 1933—

A Regulation to make better provision for the management of Municipal affairs in Towns in Mysore 1–135

Regulation IX of 1933—

A Regulation to make better provision for the administration of small Municipalities in Mysore 1– 52

Regulation X of 1933—

Regulation to amend the Hindu Law as to the Rights of Women and in certain other respects. 1– 14

Regulation XI of 1933—

Regulation to amend the Law relating to the Protection of Copyrights in Mysore 1–20

37

NOTIFICATION.

Order No. P. 258—Legis. 47-32-3, dated Bangalore, the 13—14th July 1933.

Ordered that the accompanying Mysore Co-operative Societies (Amended) Regulation which received the assent of His Highness the Maharaja, on the 27th day of June 1933, be published as Regulation No. VI of 1933, in the *Mysore Gazette* for general information.

S. N. APPANNA IYENGAR,
Secretary to Government,
General Department.

REGULATION VI OF 1933.

(RECEIVED THE ASSENT OF HIS HIGHNESS THE MAHARAJA ON THE 27TH DAY OF JUNE 1933.)

A Regulation further to amend the Mysore Co-operative Societies Regulation VII of 1918.

Whereas it is expedient further to amend the Mysore Co-operative Societies Regulation VII of 1918, as amended by Regulation V of 1929; it is hereby enacted as follows:—

This Regulation may be called the Mysore Co-operative Societies (Amendment) Regulation, 1933.

Amendment of section 2.

1. In section 2 of the Mysore Co-operative Societies Regulation, 1918 (hereinafter referred to as the said Regulation), insert the following as definition (*d*) and renumber definitions (*d*), (*e*), (*f*) and (*g*) as (*e*), (*f*), (*g*) and (*h*) respectively:—

(*d*) "financing bank" means a registered society, the main object of which is to lend money to registered societies and includes a registered society which had among its objects the lending of money to registered societies;

2. In section 9 of the said Regulation, insert the following as sub-section (2), numbering the present section 9 as sub-section (1) :—

"(2) If the Registrar refuses to register a society, an appeal shall lie to the Government within two months from the date of the communication by the Registrar of his refusal to register the society."

3. In section 11 of the said Regulation, add the following as sub-section (4):—

"(4) When the Registrar refuses approval to the making, alteration or abrogation of any bye-laws, an appeal shall lie to the Government within one month from the date of the communication by the Registrar of his refusal."

Substitution of a new section for section 13.

4. Substitute the following for section 13 of the said Regulation.:—

"(1) No member of any registered society shall have more than one vote in the affairs of the society provided that in the case of an equality of votes the Chairman shall have a casting vote.

"(2) No vote shall be given by proxy.

"(3) A registered society which has invested any part of its funds in the shares of another society may appoint any of its members not disqualified for appointment under any rules prescribed in that behalf to vote in the affairs of such other society."

Amendment of section 17.

5. Delete the words 'inspection and enquiry' from the marginal heading of section 17 of the said Regulation.

After the words 'if any' in line 2 of sub-section (2) insert the following :—

"the verification of cash balance and securities."

Substitute the following for sub-section (3) :—

"(3) The Registrar or the person authorised by him under sub-section (1) shall, at all reasonable times, have free access to the books, accounts, documents, securities, cash and other properties belonging to or in the custody of the society and may summon any person in possession or responsible for the custody of any such books, accounts, documents, securities, cash or other properties to produce the same at any place at the headquarters of the society or any branch thereof.

"(4) Every officer or member of the society shall furnish such information in regard to the transactions and

working of the society as the Registrar or the person authorised by him under sub-section (1) may require."

6. Substitute 'Inquiry and inspection' for the heading 'Inspection of affairs' above section 35 of the said Regulation.

Amendment of section 35.

Delete the words "on the request of the Deputy Commissioner or" in line 2 of sub-section (1) of section 35 of the said Regulation: and in line 5, insert the words 'in accordance with the rules made' between the words 'by order in writing' and the words "in this behalf."

Substitute the following for sub-section (2) of section 35:—

"(2) The Registrar or the person authorised by him under sub-section (1) shall have the following powers, namely—

"(*a*) He shall, at all reasonable times, have free access to the books, accounts, documents, securities, cash and other properties belonging to or in the custody of the society and may summon any person in possession or responsible for the custody of any such books, accounts, documents, securities, cash or other properties to produce the same at any place at the headquarters of the society or any branch thereof.

"(*b*) He may summon any person who, he has reason to believe, has knowledge of any of the affairs of the society to appear before him at any place at the headquarters of the society or any branch thereof and may examine such person on oath.

"(*c*) (i) He may, notwithstanding any rule or by-law prescribing the period of notice for a general meeting of the society, require the officers of the society to call a general meeting at such time and place at the headquarters of the society or any branch thereof and to determine such matters as may be directed by him. If the officers of the society refuse or fail to call such a meeting, he shall have power to call it himself.

"(ii) Any meeting called under clause (i) shall have all the powers of a general meeting called under the by-laws of the society and its proceedings shall be regulated by such by-laws.

"(iii) When an enquiry is made under this section, the Registrar shall communicate the result of the enquiry to the society concerned and to the financing bank, if any, to which the society is indebted."

Substitution of a new section for section 36.

7. Substitute the following for section 36 of the said Regulation :—

Inspection of books of indebted societies.

"(1) The Registrar may, on the application of a creditor of a registered society, inspect or direct some person authorised by him in this behalf by a general or special order in writing to inspect the books of the society and the Registrar or the person so authorised shall have all the powers conferred by sub-clauses (*a*) and (*b*) of sub-section (2) of section 35, except the power to examine on oath.

"(2) No inspection shall be made or directed under sub-section (1) unless the creditor—

"(*a*) satisfies the Registrar that the debt is a sum then due, and that he has demanded payment thereof and has not received satisfaction within a reasonable time; and

"(b) deposits with the Registrar such sum as security for the costs of the proposed inspection as the Registrar may require.

(3) When an inspection is made under sub-section (1), the Registrar shall communicate the results of such inspection to the creditor and to the financing bank, if any, to which the society is indebted."

Addition of a new section 36-A.

8. Insert the following as section 36-A in the said Regulation :—

Inspection of books by financing bank.

"36-A. A financing bank shall have the right to inspect the books of any registered society which is indebted to it. The inspection may be made either by an officer of the financing bank, or by a member of its paid staff certified by the Registrar as competent to undertake such inspection. The officer or member so inspecting shall, at all reasonable times, have free access to the books, accounts, documents, securities, cash and other properties belonging to or in the custody of the society and may also call for such information, statements and returns as may be necessary to ascertain the financial condition of the society and the safety of the sums lent to it by the financing bank."

Amendment of section 37.

9. Add the works "and inspection" to the marginal heading of section 37 of the said Regulation.

Insert the words "after giving the parties an opportunity to be heard" after the word 'may' in line 2 of the said section.

10. Introduce the following as section 38-A in the said Regulation.— Addition of a new section 38-A.

"*Supersession of Committee of Society.*"

"If, in the opinion of the Registrar, the committee of any registered society is not functioning properly, he may, after giving an opportunity to the committee to state its objections, if any, and after considering the objections raised, call upon the members of the society to appoint another committee in such time as may be fixed by him. If the members fail to appoint a committee which, in the opinion of the Registrar, is likely to function satisfactorily and the Registrar is of opinion that, in the circumstances of the case, it is undesirable to order the cancellation of the registration of the society he may, by order in writing, dissolve the committee and appoint a suitable person or persons to manage the affairs of the society for a specified period not exceeding one year. The period specified in such order may, at the discretion of the Registrar, be extended from time to time, provided that such order shall not remain in force for more than two years in the aggregate. Supersession of Committee.

"(2) The person or persons so appointed shall have power, subject to the control of the Registrar, to recover the assets and discharge the liabilities of the society and take such action as may be required in its interests.

"(3) The Registrar may fix the remuneration payable to the person or persons so appointed. The amount of such remuneration and other costs, if any, incurred in the management of the society shall be payable from its funds.

"(4) The person or persons so appointed shall, at the expiry of the period of his or their appointment, arrange for the constitution of a new committee in accordance with the by-laws of the society.

"(5) Before taking action under sub-section (1) in respect of any society, the Registrar shall, if the society is indebted to a financing bank, consult such bank regarding such action and the provision to be made for the management of the affairs of the society.

"(6) Any member of the society may, within one month from the date of an order passed by the Registrar under sub-section (1), appeal from such order to the Government.

"(7) Nothing in this section shall be deemed to affect the powers of the Registrar to cancel the registration of the society under section 39."

Amendment of section 39.

11. In section 39 of the said Regulation add the words "or section 36—A" after the words and figures "under section 36."

Amendment of section 42.

12. Substitute the following for sub-section (1) of section 42 of the said Ragulation :—

Winding up.

"42. (1) Where the Registrar has passed an order under section 39 or section 40 for the winding up of a co-operative society, he may forthwith appoint a competent person to be liquidator and fix his remuneration and such person, notwithstanding anything in section 39 relating to the time when the order for winding up shall take effect, shall have power to take immediate possession of all assets belonging to the society and of all books, records and other documents pertaining to the business thereof and to carry on the business of the society so far as may be necessary for the beneficial winding up of the same."

Insert the words "as soon as the order of winding up takes effect" after the word "shall" in line 2 of sub-section (2).

Delete sub-section (3) and re-number sub-sections (4), (5), and (6) as (3), (4) and (5) respectively.

Addition of new sections 42-A and 42-B.

13. Introduce the following as sections 42–A and 42-B in the said Regulation.

Surcharge and Attachment.

Surcharge.

"42-A. (1) Wherein the course of an audit under section 17 or an enquiry under section 35 or an inspection under section 36 or the winding up of a society, it appears that any person who has taken part in the organization or management of the society or any past or present officer of the society has misappropriated or fraudulently retained any money or other property or been guilty of breach of trust in relation to the society, the Registrar may, of his own motion or on the application of the committee or liquidator or of any creditor or contributory, examine into the conduct of such person or officer and make an order requiring him to repay or restore the money or property or any part thereof with interest at such rate as the Registrar thinks just or to contribute such sum to the assets of the society by way of compensation in respect of the

misappropriation, fraudulent retainer or breach of trust as the Registrar thinks just.

"(2) The order of the Registrar under sub-section (1) shall be final unless it is set aside by the District Court having jurisdiction over the area in which the headquarters of the society are situated on application made by the party aggrieved within three months of the date of receipt of the order by him.

"(3) Any sum ordered under this section to be repaid to a society or recovered as a contribution to its assets may be recovered on a requisition being made in this behalf to the Deputy Commissioner by the Registrar in the same manner as arrears of land revenue.

"(4) This section shall apply notwithstanding such person or officer may have incurred criminal liability by his act."

Attachment of property.

"42-B. Where the Registrar is satisfied on the affidavit of the liquidator or otherwise that any person with intent to defeat or delay the execution of any order that may be passed against him under clause (*b*) of sub-section (2) of section 42 or under section 42-A,—

(*a*) is about to dispose of the whole or any part of his property, or

(*b*) is about to remove the whole or any part of his property from the jurisdiction of the Registrar,

The Registrar may, unless adequate security is furnished, direct the conditional attachment of the said property or such part thereof as he thinks necessary and such attachment shall have the same effect as if it had been made by a competent civil court:

Provided, however, that if during the continuance of conditional attachment the party furnishes adequate security, the attachment so placed shall be withdrawn."

Addition of a new section 43-A.

14. Introduce the following as section 43-A in the said Regulation :—

"*Decision of disputes.*"

Disputes.

"43-A. (1) If any dispute touching the business of a registered society (other than a dispute regarding disciplinary action taken by the society or its committee against a paid servant of the society) arises—

(*a*) among members, past members and persons claiming through members, past members and deceased members, or

(*b*) between a member, past member or person claiming through a member, past member, or deceased member, and the society, its committee or any officer, agent or servant of the society, or

(*c*) between the society or its committee and any officer, agent or servant of the society, or

(*d*) between the society and any other registered society,

such dispute shall be referred to the Registrar for decision.

Explanation.--A claim by a registered society for any debt or demand due to it from a member, past member, or the nominee, heir or legal representative of a deceased member, whether such debt or demand be admitted or not, is a dispute touching the business of the society within the meaning of this sub-section.

"(2) Subject to such rules as may be prescribed, the Registrar may on receipt of such reference—

(*a*) decide the dispute himself, or transfer it for disposal to any person who has been invested by the Government with powers in this behalf, or

(*b*) refer it for disposal to an arbitrator or arbitrators, or

(*c*) refer the parties to the civil court.

"(3) Subject to such rules as may be prescribed, the Registrar may withdraw any reference referred under clause (*b*) of sub-section (2) and deal with it in the manner provided in the said sub-section.

"(4) Where the Registrar is satisfied by affidavit or otherwise that a party to any reference made to him under sub-section (1), with intent to defeat or delay the execution of any decision that may be passed thereon—

(*a*) is about to dispose of the whole or any part of his property, or

(*b*) is about to remove the whole or any part of his property from the jurisdiction of the Registrar,

the Registrar may, unless adequate security is furnished, direct the conditional attachment of the said property or such part thereof as he thinks necessary, and such attachment shall have the same effect as if it had been made by a competent civil court, provided, however, that if during the continuance of the conditional attachment, the party furnishes adequate security the attachment so placed shall be withdrawn.

"(5) Subject to such rules as may be prescribed,

(*a*) any party aggrieved by the award of an arbitrator or arbitrators or by an order of the person referred to in sub-section 2 (*a*), may appeal to the Registrar within one month from the date of such award or order; and

(*b*) any party aggrieved by an order of the Registrar deciding the dispute himself under sub-section 2 (*a*) may appeal to the Government within one month from the date of such order.

"(6) (*a*) Any decision passed by the Registrar or the Government under sub-section (5) shall be final and shall not be called in question in any civil or revenue court.

(*b*) Any decision passed under sub-section (2) by the Registrar or by the person to whom a dispute is transferred or by the arbitrator or arbitrators to whom a dispute is referred shall, save as otherwise provided in sub-section (5), be final and shall not be called in question in any civil or revenue court."

Addition of a new section 43-B.

15. Introduce the following as section 43-B in the said Regulation :—

Summoning of witnesses.

"43-B. Subject to such rules as may be prescribed, the Registrar or any person or arbitrator or arbitrators to whom a dispute is referred or transferred for disposal under section 43 A, or a liquidator appointed under section 42, shall in so far as such powers are necessary for carrying out the purposes of the said sections, have power to summon and enforce the attendance of witnesses and to compel the production of documents by the same means, and so far as may be, in the same manner as is provided in the case of a civil court under the Code of Civil Procedure, 1911"

Addition of a new section 43-C.

16. Introduce the following as section 43-C in the said Regulation :—

Money how recovered.

"43-C. (1) Every order passed by a liquidator under section 42 or by the Registrar or his nominee or arbitrators on disputes referred to him or them under section 43-A shall, if not carried out, be executed—

(*a*) on a certificate signed by the Registrar or a liquidator, by any civil court in the same manner as a decree of such court, or

(*b*) according to the law and under the rules for the time being in force for the recovery of arrears of land revenue, provided that any application for the recovery in such manner of any such sum shall be made to the Deputy

Such sanction shall not be given without giving the party concerned an opportunity to be heard."

Addition of a new section 43-H.

18. Introduce the following as section 43-H in the said Regulation :—

Power of Government and Registrar to call for proceedings and to pass orders thereon.

"43-H.—The Government or the Registrar may call for and examine the record of any enquiry or the proceedings of any officer subordinate to them for the purpose of satisfying themselves as to the legality or propriety of any decision or order passed and as to the regularity of the proceedings of such officer. If, in any case, it shall appear to the Government or the Registrar that any decision or order or proceedings so called for should be modified, annulled or reversed, the Government or the Registrar, as the case may be, may pass such order thereon as to it or him may seem fit."

Amendment of section 44.

19. (1) After clause (*k*) of sub-section (2) of section 44, add the following new clause as (*kk*) :—

"(*kk*) specify the class of persons to whom the power under section 35 may be delegated."

(2) For clause (*l*) of sub-section (2) of section 44 of the said Regulation, substitute the following :—

"(*l*) provide for—

(*i*) the appointment of an arbitrator or arbitrators to decide disputes ;

(*ii*) the procedure to be followed in proceedings before the Registrar, arbitrator, or arbitrators, including the appointment of a guardian for a party to the dispute who is a minor, or who, by reason of unsoundness of mind or mental infirmity, is incapable of protecting his interests ;

(*iii*) the levy of the expenses incidental to such proceeding ; and

(*iv*) the enforcement of the decisions or awards in such proceedings ;"

Amendment of section 52.

20. Substitute the following for sub-section (1) of section 52 :—

"52. (1) "Co-operative Land Mortgage Bank" or "Bank" means a co-operative society formed primarily for granting loans on the mortgage of agricultural land for the liquidation of prior debts of agriculturists or for the improvement or better cultivation of agricultural land or formed for the purpose of financing such society."

Delete sub-section (2) and re-number sub-section (3) as sub-section (2) of the said section.

Amendment of section 53.

21. Delete clauses (*a*) and (*b*) of section 53.

Delete the words "with the previous sanction of Government" and "the Board of Supervision" in clause (*c*) of the said section.

Amendment of section 54.

22. For the words "one member" in line 5 of section 54 of the said Regulation, substitute "two members."

Delete the words "and one member to the Board of Supervision" in line 6 of the said section.

Amendment of section 55.

23. Delete the words "and of the Board of Supervision" in lines 3 and 4 of section 55 of the said Regulation.

Amendment of section 58.

24. In sub-section (2) of section 58 of the said Regulation, delete the words "for the redemption of subsisting mortgages or for the liquidation of other prior debts" in lines 1 and 2.

In sub-section 3, delete the words "for the improvement or the better cultivation of agricultural land or" in lines 2 and 3 and substitute "any" for "either" in line 4, and

for the figure and brackets "(2)" in line 5, substitute the figure, brackets and letters "(1) (*a*), (*b*) and (*c*)."

Amendment of section 66.

25. Delete clause (*a*) and the words "and the Board of Supervision" in clause (*d*) of section 66 of the said Regulation.

Substitute the following for clause (*c*) of section 66:—

"The mutual rights and obligations of primary Land Mortgage Banks and Central Land Mortgage Banks."

Re-number clauses (*b*), (*c*) and (*d*) as clauses (*a*), (*b*) and (*c*).

Amendment of section 67.

26. In section 67 of the said Regulation, delete the words "and Local Land Mortgage Societies."

M. N. KRISHNA RAO,
Dewan.